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December 30, 2013

Nevada Division of Public and Behavioral Health
Ms. Marla McDade Williams, Deputy Administrator
Mr. Joseph Thiele, Management Analyst II
4150 Technology Way, Suite 104
Carson City, NV 89706

Re: *Public Comment of Amendments to Chapter 453A (NAC)*

Dear Ms. McDade Williams:

I hope this note finds you well. I enjoyed the opportunity to participate in the December 23, 2013, medical marijuana workshop sponsored by your office and the Nevada Division of Public and Behavioral Health. As promised, I have included herein additional public comment on the proposed amendments to the Nevada Administrative Code (NAC) 453A.

As a medical marijuana business consultant, I am proud of my efforts to support the Nevada Legislature during this year's legislative session in the successful passage of Senate Bill No. 374 – and its creation of the Medical Marijuana Program in the State of Nevada. I will continue to support this new and exciting program during your department's efforts to create effective regulations of medical marijuana establishments.

Thank you for the opportunity to provide additional comments to the proposed amendments to Chapter 453A (NAC). My comments and recommendations follow:

Sec. 26(6)(c)(1)(3)

For each owner, officer and board member of the proposed medical marijuana establishment: A resume highlighting the following (1) Any previous experience at operating other businesses or non-profit organizations; (3) Any demonstrated knowledge or expertise with respect to the compassionate use of marijuana to treat medical conditions.

During the construction of S.B. 374, the Nevada Legislature recognized the importance of proven business acumen combined with medical marijuana industry “experience and expertise.” These defining qualities should be paramount in the Division's pursuit of qualified applicants for medical marijuana establishment licenses.

It should be noted that never was it the intent of the Nevada Legislature nor S.B. 374 to deny non-residents of Nevada the opportunity to participate in the medical marijuana program. In fact, during the legislative session and in various committee hearings, the Legislature repeatedly recognized the need for medical marijuana industry “experience and expertise” in the newly formed MMP. This experience and expertise can and should be delivered by medical marijuana industry leaders from other states with medical marijuana programs.

Sec. 26(10)(a)

To assist the Division in considering the criteria of merit set forth in subsection 1 of NRS 453A.328, a financial plan which includes, without limitation: (a) Financial statements showing the resources of the applicant.

Recognizing the need that “the applicant has at least \$250,000 in liquid assets,” the Division should provide additional information and insight to the applicant as it applies to “the resources” (financial) of the applicant. This additional information provided by the Division should clarify “resources” as it applies to financial statements and related documentation of the applicant.

Sec. 26(14)

A response to and information to support any other criteria of merit the Division determines to be relevant.

This is an important and welcomed provision in the Nevada MMP. The Division should allow for an applicant to provide additional “criteria” to justify their application’s merit and professionalism. The Division should not limit the “criteria of merit” in the application process but rather provide the opportunity for the applicant to submit additional criteria of merit and value. The criteria should be valued and recognized by the Division during the evaluation (scoring) process.

Sec. 70-72 and Sec. 107-116

Cultivation Facility

As I stated during my comments at the most recent medical marijuana workshop in Carson City, the Division is encouraged to “cap” the property size of a proposed cultivation facility. This action supports public safety and promotes industry best practice. Industry experience suggests that a 25,000 sq. ft. warehouse facility will provide for adequate space for the effective and successful commercial cultivation of medical marijuana.

Additionally, a 25,000 sq. ft. warehouse in Nevada can effectively meet the cultivation requirements and environmental standards noted in the proposed

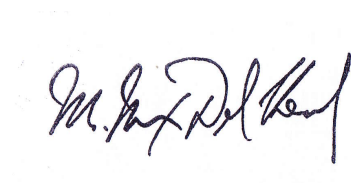


Amendments to Chapter 453A (NAC). A facility greater than 25,000 sq. ft. potentially increases the risks to public safety.

There has been great discussion on the matter of available “cultivation facility licenses” in the Nevada MMP. The important question remains: *How many cultivation facilities will be required to fully provide enough medical marijuana for qualified patients in Nevada?* These discussions have explored the idea of a 1:1 ratio (dispensary to cultivation facility; or sixty-six (66x) cultivation facility licenses statewide), and even a 1:2 ratio. The Division is encouraged to recognize policy set forth in other states with medical marijuana programs as it applies to the number (and ratio) of commercial cultivation licenses. Additional study and research needs to be done on this topic.

My office remains fully available to support you and the Division in its efforts to create effective regulations of medical marijuana establishments in the State of Nevada. Thank you for your leadership. I look forward to working with you in the New Year.

Signed,



M. Max Del Real
President / CEO